

## INFORMATION SERVICES

### BUDGET UNIT: NETWORK SERVICES (IAM ALL)

#### I. GENERAL PROGRAM STATEMENT

Information Services' Network Services Division provides countywide telephone, microwave and radio services and the operation of related hardware, software and communications facilities, including a network of microwave sites.

The Network Services budget unit is an Internal Service Fund (ISF). As an ISF any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Operating Expense	19,517,107	20,172,114	19,137,508	16,845,334
Total Revenue	19,794,354	18,172,114	18,180,206	16,845,334
Revenue Over/(Under) Expense	277,247	(2,000,000)	(957,302)	-
Budgeted Staffing		110.1		93.0
<b>Fixed Assets</b>	<b>2,348,654</b>	<b>2,585,785</b>	<b>1,847,824</b>	<b>2,491,319</b>
Unrestricted Net Assets Available at Yr End	3,864,562		963,116	
<b><u>Workload Indicators</u></b>				
Service Calls	22,567	26,000	21,740	21,500
Radios	8,845	9,424	9,203	9,200
Telephone	19,646	19,000	19,670	19,500
Circuits	1,582	1,582	959	1,237

Expense variances are due to reduced professional services contract related to GIS that was transferred to Computer Operation; hiring and fixed asset purchase freeze, and the deletion of all funded vacant positions.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### **STAFFING CHANGES**

Budgeted staffing has been reduced by 17.1 positions. This resulted from a combination of adding and deleting positions of various classifications to adjust for workload changes.

Sixteen positions were deleted, which included 2.0 Clerk II; 9.0 Communications Technician II; 1.0 Network Control Specialist; 2.0 Electronic Drafting Technician; 1.0 Multimedia Coordinator; and 1.0 Telephone Service Specialist.

Usage of overtime equivalent to 4.9 budgeted staffing (0.3 Help Desk Technician; 0.8 Communications Installer; 0.5 800 MHz Analyst; 2.5 Communications Technician I, II, III; and 0.8 Supervising Communications Technician) is increased to meet current workload; 2.0 Communications Technician III are added to provide senior field service skills that require independent judgment; and 1.0 Network Services Supervisor is added to provide supervision of the Network Control area.

Per Board direction 9.0 vacant budgeted positions that were not in recruitment were also deleted during budget adoption.

##### **PROGRAM CHANGES**

Reduction in expenses comes mostly from reduced outside communication services and electronic parts that include data/voice circuits, network trunking, intra/inter state connectivity for calls off the county's microwave network and other communication services needed to manage the county's 19,500 user telephone system. Budgeted costs for these areas were increased in 2002-03 to support projected growth in new county facilities and system upgrades. This growth did not occur as expected and outside communication services and parts cost budget have been reduced to reflect recent expense trends and requirements.

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GROUP: Administrative/Executive Group  
DEPARTMENT: Information Services - Network Services  
FUND: Internal Services IAM ALL

FUNCTION: General  
ACTIVITY: Tele., Microwv., Radio

	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	6,345,827	7,095,980	7,762,624	(716,146)	7,046,478
Services and Supplies	10,434,492	11,204,153	9,204,153	(1,342,895)	7,861,258
Central Computer	9,116	9,116	9,116	26,402	35,518
Other Charges	59,218	67,208	67,208	(13,494)	53,714
Transfers	449,808	468,571	468,571	16,346	484,917
Total Appropriation	17,298,461	18,845,028	17,511,672	(2,029,787)	15,481,885
Depreciation	1,839,047	1,327,086	1,327,086	36,363	1,363,449
Total Operating Expense	19,137,508	20,172,114	18,838,758	(1,993,424)	16,845,334
<b>Revenue</b>					
Use of Money & Property	-	1,500	1,500	(1,000)	500
Current Services	18,180,206	18,170,614	16,883,614	(38,780)	16,844,834
Total Revenue	18,180,206	18,172,114	16,885,114	(39,780)	16,845,334
Rev Over/(Under) Exp.	(957,302)	(2,000,000)	(1,953,644)	1,953,644	-
<b>Fixed Asset Exp.</b>					
Equipment	1,033,132	1,750,000	1,750,000	(150,000)	1,600,000
Equip/Lease Purchase	814,692	835,785	835,785	55,534	891,319
Total Fixed Assets	1,847,824	2,585,785	2,585,785	(94,466)	2,491,319
Budgeted Staffing		110.1	110.1	(17.1)	93.0

### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	666,644	Increased due to MOU, Retirement and Workers Comp Adjustments.
Services and Supplies	(2,000,000)	One-time funding for GIS parcel base map project transferred to IAJ in 2002-03.
Revenue		
Current Services	(1,287,000)	
Total Operating Expense	(1,333,356)	
Total Revenue Change	(1,287,000)	
Total Revenue Over/(Under) Exp	(46,356)	
Total 2002-03 Operating Expense	20,172,114	
Total 2002-03 Revenue	18,172,114	
Total 2002-03 Rev Over/(Under) Exp	(2,000,000)	
Total Base Budget Operating Expense	18,838,758	
Total Base Budget Revenue	16,885,114	
Total Base Rev Over/(Under) Exp	(1,953,644)	

The telephone rate will decrease from \$32.50 to \$27.00 effective with the beginning of the new fiscal year. This rate reduction is achievable from the completion of the multi-year telephone network switch infrastructure upgrade program, which resulted in lower operating cost. Project cost associated with the completion of upgrading the telephone systems were deleted resulting in a rate decrease for telephones and annual cost savings of approximately \$1,287,000 to phone users.

Base year increases of \$666,644 for MOU salary and benefit, retirement and workers comp cost increases were absorbed without any offsetting rate change.

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Board Approved Changes to Base Budget		
Salaries and Benefits	(61,723)	Decrease reflecting deletion of positions, increase overtime usage and step advances and addition of supervisor position.
	(654,423)	Deletion of 9.0 vacant budgeted positions during budget workshop.
	<u>(716,146)</u>	
Services and Supplies	(1,902,895)	Decrease cost of outside phone company services and supplies to show cost reduction efforts and to adjust to workload changes.
	579,088	Increase long distance usage by county departments.
	(19,088)	GASB 34 Accounting Change (EHAP).
	<u>(1,342,895)</u>	
Central Computer	<u>26,402</u>	Increase usage of Central Computer Operations ISF services.
Other Charges	<u>(13,494)</u>	Decrease interest charges on fully paid lease-purchase loans.
Transfers In/Out	(2,742)	Decrease reflect's a new accounting method for EHAP and cost increases in allocated admin cost.
	19,088	GASB 34 Accounting Change (EHAP).
	<u>16,346</u>	
Depreciation	<u>36,363</u>	Increase to reflect full year depreciation of new fixed asset purchases.
Total Operating Expense	<u>(1,993,424)</u>	Cost reduction to stay within projected revenues.
Revenue		
Use of Money and Property	<u>(1,000)</u>	
Current Services	615,643	Increase due to projected higher long distance usage and service contracts.
	(654,423)	Loss of revenue due to the deletion of 9.0 vacant budgeted positions during budget hearings.
	<u>(38,780)</u>	
Total Revenue	<u>(39,780)</u>	
Revenue Over/(Under) Exp	<u>(1,953,644)</u>	
Fixed Asset Expense		
Equipment	<u>(150,000)</u>	Decrease as part of the cost reduction plan.
Equipment lease-Purchase	<u>55,534</u>	Increase principal for new lease-purchase loans of proposed lease purchase of telephone systems.
Total Fixed Assets	<u>(94,466)</u>	